Government of Saskatchewan

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Weekly Cattle Market Update

For the Week Ending August 25, 2017

All prices are quoted in Canadian dollars per hundredweight ($/cwt) unless otherwise stated.

Saskatchewan Feeder Steer and Feeder Heifer Prices ($/cwt)								
Feeder Steers		**300-400**	**400-500**	**500-600**	**600-700**	**700-800**	**800-900**	**900+ lb.**
August 25/2017	Average	N/A	N/A	$207.83	$197.17	$189.88	$182.67	$166.69
August 25/2017	Range	N/A	N/A	200-224	192-212	181-207	171-198	160-173
week/week	Change	N/A	N/A	N/A	$3.25	-$6.12	$1.84	-$2.31
August 18/2017	Average	N/A	N/A	N/A	$193.92	$196.00	$180.83	$169.00
Feeder Heifers		**300-400**	**400-500**	**500-600**	**600-700**	**700-800**	**800+ lb.**	
August 25/2017	Average	N/A	$178.88	$178.50	$176.50	$168.83	$160.97	
August 25/2017	Range	N/A	171-190	169-185	170-187	160-183	151-170	
week/week	Change	N/A	N/A	-$4.83	$1.00	-$3.05	$0.22	
August 18/2017	Average	N/A	N/A	$183.33	$175.50	$171.88	$160.75	

Source: Canadian data is provide by CanFax and cannot be redistributed without Canfax consent (www.canfax.ca).
Note: Prices are determined from Saskatchewan auction marts' reports of sale results from Thursday of the previous week to Wednesday the current week. N.A. means not available due to lack of sufficient data.

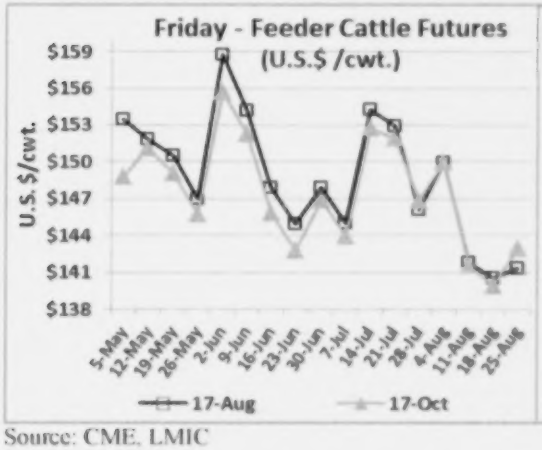
Canfax reported that a total of 4,132 head of cattle were sold in Saskatchewan this week, down slightly from 4,183 head sold the previous week, and down from 4,783 head the same week a year ago.

Saskatchewan feeder steer prices were mixed over the week and ranged between $6.12 per cwt lower to $3.25 per cwt higher, compared to the previous week. The largest loss over the week was in the 700-800 lb. feeder steer category; while the biggest gain of $3.25 per cwt was in the 600–700 lb. weight category. The 500-600 lb. feeder steer category averaged $207.83 per cwt over the week.

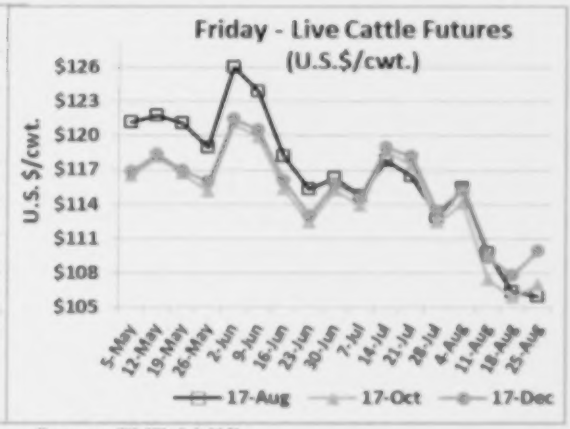
Saskatchewan feeder heifer prices were reported in all the weight categories over the week except the 300-400 lb. weight category. Prices were mixed over the week and ranged from $4.83 per cwt lower in the 500-600 lb. weight category; to $1.00 per cwt higher in the 600-700 lb. feeder heifer weight category. Saskatchewan feeder cattle prices are provided by Canfax (#403-275-5110) or (www.canfax.ca) and cannot be redistributed without permission.

The Saskatchewan 750 lb. feeder steer basis compared to the August 24, 2017, U.S. feeder cattle index at US$143.24 per cwt was calculated at (+$10.94) per cwt ($189.88 - US$143.24/0.8005, a basis widening of $1.52 per cwt from the basis of (+$12.46) per cwt the previous week.

Feeder cattle daily futures prices were mixed over the week with big gains Tuesday to help push price higher, week-over-week. The nearby August 2017 contract increased US$0.875 per cwt to settle Friday at US$141.375 per cwt. The September contract increased US$2.900 per cwt to settle Friday at US$142.925 per cwt; while the October contract increased US$3.025 per cwt to settle Friday at US$142.950 per cwt.



Source: CME, LMIC



Source: CME, LMIC

Live daily cattle futures prices were mixed over the week to end the week mixed. The nearby August contract declined US$0.425 per cwt to settle Friday at US$105.950 per cwt. The October contract increased US$1.025 per cwt to settle Friday at US$106.925 per cwt; while the December contract increased US$2.075 per cwt to settle Friday at US$109.925 per cwt.

Iowa cash corn prices settled Friday at US$2.96 per bushel, down six cents from US$3.07 per bushel the previous Friday. Daily corn futures were primarily lower over the week with the biggest decline on Wednesday to push prices lower, weak-over-week. The September corn contract declined 13.3 cents per bushel to settle last Friday at US$3.87 ¼ per bushel, while the December contract declined 12.3 cents to settle last Friday at 3.53 ½ per bushel.

Fed and Non-fed Cattle

	August 25, 2017	August 18, 2017	Week over Week
Steers (Alberta)			
Live	$138.53	$142.07	-$3.54
Rail	$229.50 to $232.50	$234.50 to $238.00	-$5 to -$5.50
Cows (Alberta)			
D1,2 Live	$99.00	$99.42	-$0.42
D3 Live	$90.07	$88.67	+$1.40
Rail	$184-189	$186-191	-$2.00

Source: Canfax. (n/a = not available, n/c = no change)

Prices for liveweight, non-fed cattle in Alberta were mixed over the week. The price of D1,2 slaughter cows declined $0.42 per cwt to average $99.00 per cwt; while the price of D3 slaughter cows increased $1.40 per cwt to average $90.07 per cwt.

Fed cattle prices for Alberta fed steers averaged $138.53 per cwt over the week, down $3.54 per cwt from $142.07 per cwt the previous week. Alberta fed cattle prices have declined $52.98 per cwt or 27.7 per cent since averaging $191.51 per cwt the week of May 5. Western Canadian slaughter cattle prices are provided by Canfax and cannot be redistributed without their permission. www.canfax.ca)

The live (FOB feedlot) weighted average 5-area (Texas/Oklahoma/New Mexico, Kansas, Nebraska, Colorado and Iowa/Minnesota) weekly fed steer price in the U.S. was reported at US$106.78 per cwt, down US$2.90 per cwt or 2.6 per cent from US$109.67 per cwt the previous week; and down 6.8 per cent from US$114.60 per cwt the same week a year ago. The dressed (delivered basis) price for U.S. steers delivered to plants in the 5-area was reported at US$169.70 per cwt, down US$5.55 per cwt or 3.2 per cent from US$175.25 per cwt the previous week, and down 5.8 per cent from US$180.23 per cwt the same week a year ago.

The *Cattle on Feed Report* was released on Friday August 25, by the United States Department of Agriculture (USDA), for the August 1 inventory numbers.

August 1, 2016 and 2017, Cattle on Feed (in U.S. feedlots with 1,000+ capacity)

	2016	2017	Per cent of previous year
On feed July 1	10,356,000	10,821,000	104.5
Placed during July	1,572,000	1,615,000	102.7
Marketed during July	1,713,000	1,784,000	104.1
Other disappearance during July	50,000	48,000	96.0
On feed August 1	10,165,000	10,604,000	104.3

Source: USDA

The USDA Cattle on Feed (COF) report indicated that the number of cattle placed on feed in July 2017 was 1.615 million head, up 2.7 per cent from 1.572 million head in July 2016, but down almost nine per cent from 1.770 million head placed in June 2017. The number of fed cattle marketed in July 2017 was 1.784 million head, up 4.1 per cent from 1.713 million head in July 2016, but down over ten per cent from 1.989 million head marketed in June 2017. The July 2017 cattle placements were 102.7 per cent (versus July 2016); over three per cent less than the average trade estimates (106.2 per cent). The cattle marketed in July 2017 were 104.1 per cent compared to July 2016; slightly below the average trade estimates (104.5 per cent).

The USDA cattle on feed numbers for August 1, 2017 were 10.604 million head, 4.3 per cent above the August 2016 inventory numbers of 10.165 million head, but two per cent below the July 2017 numbers. The USDA year-over-year numbers were 104.3 per cent; only about a half per cent higher than the average trade estimates (104.9 per cent). The USDA numbers were overall close to trade estimates and below in all categories. The July cattle placements had the biggest difference and were over three percent below the trade estimates. The cattle numbers will likely be viewed as overall positive for cattle markets.

Beef production for the week was estimated at 520.4 million lb., up 1.1 per cent from 514.5 million lb. the previous week, and up 2.9 per cent from 505.8 million lb. the same week a year ago.

Cattle slaughtered over the week were estimated at 639,000 head, up 0.8 per cent from 634,000 head the previous week, and up 4.8 per cent from 610,000 head the same week a year ago.

U.S. choice beef cutout prices (600-900 lb.) averaged US$192.30 per cwt over the week, down US$4.76 per cwt or 2.4 per cent from US$197.06 per cwt the previous week, and down 4.0 per cent from US$200.34 per cwt the same week a year ago. U.S. weekly average choice beef cutout prices have declined by US$58.56 per cwt or 23.3 per cent since the weekly averaged peaked at US$250.86 per cwt the week of June 17, 2017.

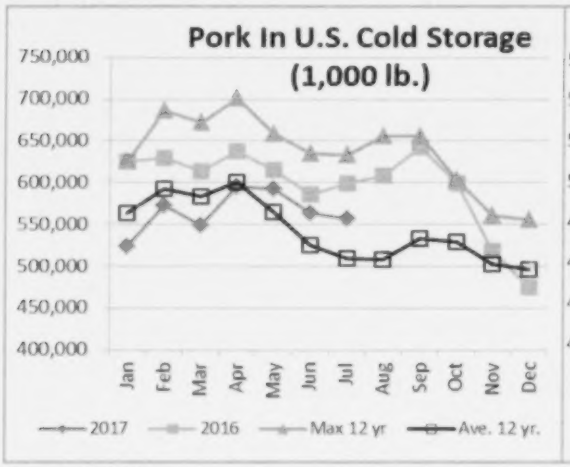
Friday Price Information

Product		This Week (August 25, 2017)	Week of: (August 18, 2017)	Week of: (August 26, 2016)
Canadian Dollar (closing rate US$)		.8005	.7954	.7692
U.S. Cash Cattle				
Thurs. Feeder Cattle (FC) Index (US$ per cwt)		143.24	145.80	146.11
Seven-day Weighted Average FC Index Wt. (lb.)		814	800	752
Live Fed 5-area Steer Price (US$ per cwt)		106.78	109.68	114.60
Feed Grains				
Barley	Lethbridge ($/tonne)	195.00	195.00	162.00
	($ per bu.)	4.25	4.25	3.53
Corn	Iowa State Average (CDN$/tonne)*	145.57	151.95	143.31
	(US$ per bu.)	2.96	3.07	2.80
	Omaha, NE (CDN$/tonne)*	155.90	158.38	152.52
	(US$ per bu.)	3.17	3.20	2.98
Futures				
	September Corn (US$ per bu.)	3.38 ¾	3.52	3.16 ¼
	December Corn (US$ per bu.)	3.53 ½	3.65 ¾	3.25
	August Live Cattle (US$ per cwt)	105.950	106.375	110.350
	October Live Cattle (US$ per cwt)	106.925	105.900	106.350
	August Feeder Cattle (US$ per cwt)	141.375	140.500	146.110
	October Feeder Cattle (US$ per cwt)	142.950	139.925	135.950

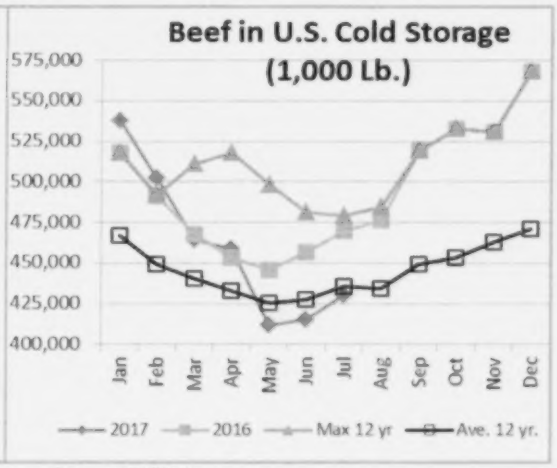
Sources: Bank of Canada, Iowa Department of Agriculture and Land Stewardship,
Chicago Mercantile Exchange (CME), ICE Futures Canada and USDA Livestock & Grain Market News
* conversion to CDN$ is based on Friday's CDN$ closing rate.

USDA released the latest U.S. cold storage numbers on August 22, 2017. The U.S. beef stocks in cold storage totaled 430.4 million lb. on July 31, 2017, up 3.6 per cent from 415.3 million lb. on June 30, 2017, but down 8.4 per cent from 469.7 million lb. on July 31, 2016. Beef stocks in cold storage for July 31, 2017 were below the monthly 12-year average and 12-year highs.

The United States' pork stocks in cold storage totaled 556.2 million lb. on July 31, 2017, down 1.2 per cent from 562.9 million lb. on June 30, 2017, and down 7.1 per cent from 598.6 million lb. on July 31, 2016. U.S. pork stocks in cold storage for July 31, 2017 were below the monthly 12-year highs; but above the 12-year average.



Source: USDA



Source: USDA

Total pork, beef, chicken and turkey in cold storage on July 31, 2017 was at 2.372 billion lb., up 0.9 per cent from June 30, 2017, but down 2.1 per cent from July 31, 2016. U.S. meat in cold storage for July 31, 2017 was above the 12-year average; but below the previous record highs of 2.422 billion lb. established in July 2016.

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